



Standard Parking Audit Report

Issued by the
Internal Audit Office
November 30, 2009

**City of El Paso
Internal Audit Office
Standard Parking Audit**

EXECUTIVE SUMMARY

The Internal Audit Office has concluded its audit of the *Parking Facility Management Contract* between the City of El Paso and Standard Parking Corporation in effect as of January 14, 2007. Based on the results of the audit, one (1) finding was identified.

Listed below is a summary of the finding identified in this report:

1. Thirty-two (32) out of 287 (11.15%) reimbursement transactions appear to be questionable.

For a detailed explanation of the finding please refer to the body of this Audit Report.

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BACKGROUND

El Paso International Airport Management has instituted a process to review contract compliance of businesses operating as concessionaires or providing management services within Airport owned property. The Airport Director has requested an audit of the *Parking Facility Management Contract* between the City of El Paso and Standard Parking Corporation (manager of the parking facility located on Airport property) in effect as of January 14, 2007.

AUDIT OBJECTIVES

The objectives of this audit were to determine if Standard Parking was adhering to the parking facility management terms and conditions as agreed to in the *Parking Facility Management Contract* dated January 14, 2007.

AUDIT SCOPE

This is a limited scope audit and the time period covered is all transactions from May 1, 2008 through April 30, 2009.

AUDIT METHODOLOGY

To achieve our audit objectives we conducted interviews with El Paso International Airport (EPIA) administration; conducted interviews with Standard Parking management and staff; conducted an analysis of the management agreement; reviewed monthly revenue reports; obtained; recalculated reported revenues; performed tests of selected transactions; reviewed operating expenses submitted for reimbursement, and performed recounts of parking tickets submitted as support documentation to the Airport.

The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors.

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FINDINGS

The findings, which follow, relate to compliance and adherence to the terms and conditions of the management agreement in effect as of January 14, 2007.

Finding 1

Based on our review of 287 operational reimbursement transactions totaling \$44,447.60, there were 32 transactions totaling \$2,859.06 that contained questionable reimbursements. The 32 transactions include the following: twenty-five (25) invoices totaling \$977.17 which included possible unallowable reimbursements and support documentation for seven (7) invoices totaling \$1,881.89 was not available.

The *Parking Facility Management Contract* does not allow Standard Parking to be reimbursed for unallowable expenses unless previously approved by the Airport Director. In addition, City policy states that all expenses submitted for reimbursement must include proper support documentation in order to ensure that the expenses were an appropriate operational expense.

The questionable expenses are summarized below.

Description	Amount
Invoiced \$86.93 for long distance charges, but only deducted \$49.95 which caused a reimbursement of \$36.98 in long distance charges.	\$36.98
Reimbursed for services provided by ILD Teleservices. The contract only allows reimbursement of 2 phone lines.	\$649.35
Reimbursed for finance charges assessed to Standard Parking for carrying an outstanding balance with AT&T.	\$101.40
Reimbursed amount of \$184.47 which is \$10.45 higher than invoice amount of \$174.02.	\$10.45
Wrong receipt provided within support documentation. Receipt with 5/31/08 billing date included. G/L referenced a receipt dated 06/08.	\$48.71
Wrong receipt provided within support documentation. Receipt with 7/31/08 billing date included. G/L referenced a receipt dated 08/31/08.	\$48.71
Wrong receipt provided within support documentation. Receipt with 08/31/08 billing date included. G/L referenced a receipt dated 09/30/08.	\$49.46
Reimbursed for finance charges assessed to Standard Parking for carrying an outstanding balance with Water King.	\$7.95
Reimbursed for purchasing two turkeys.	\$24.16
Supporting documentation was not available for these transactions.	\$1,881.89
TOTAL	\$2,859.06

Recommendation

We recommend that Airport Management and appropriate Standard Parking personnel determine the allowability of submitted expenses and determine the process for the reimbursement of \$2,859.06 to the Airport.

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Management's Response

The Department of Aviation is reviewing those expenses closely to determine whether Standard Parking should reimburse the Airport. We have contacted management at Standard Parking and are working with them in making this determination. Standard Parking will be billed for expenses that cannot be justified.

Responsible Party

Monica Vera, Airport Program Coordinator

Implementation Date

January 29, 2010

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INHERENT LIMITATIONS

Because of the inherent limitations of the parking facility manager's procedures and controls, subjective interpretation of the contract, errors or irregularities may occur and not be detected. Also, projections of compliance with terms and conditions to future periods are subject to the risk that parking facility manager's procedures may become non-compliant due to changes in conditions or that the degree of compliance with the Parking Facility Management contract may deteriorate.

CONCLUSION

Based on the results of this audit, we can provide reasonable assurance that Standard Parking is adequately adhering to the terms and conditions of the *Parking Facility Management Contract* between the City of El Paso and Standard Parking Corporation in effect as of January 14, 2007.

We wish to thank Standard Parking management and staff for their assistance and numerous courtesies extended during the completion of this audit.

Signature on File
Edmundo S. Calderón, CIA, CGAP
Chief Internal Auditor

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Auditor

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